

Texs A&M Veterinary Medical Diagnostic Laboratory
 Summary of Budget Recommendations - House

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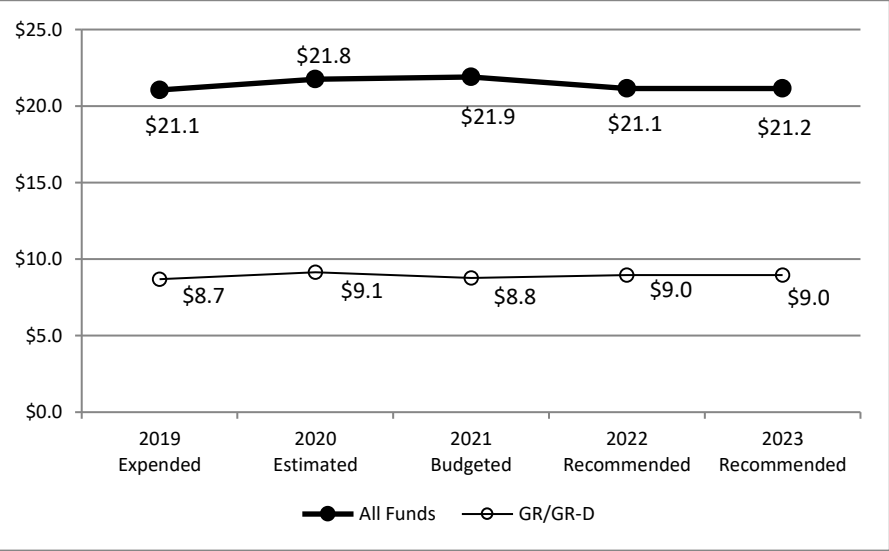
Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$17,899,311	\$17,916,407	\$17,096	0.1%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$17,899,311	\$17,916,407	\$17,096	0.1%
Federal Funds	\$545,454	\$545,454	\$0	0.0%
Other	\$25,216,139	\$23,840,206	(\$1,375,933)	(5.5%)
All Funds	\$43,660,904	\$42,302,067	(\$1,358,837)	(3.1%)

	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	161.0	161.0	0.0	0.0%

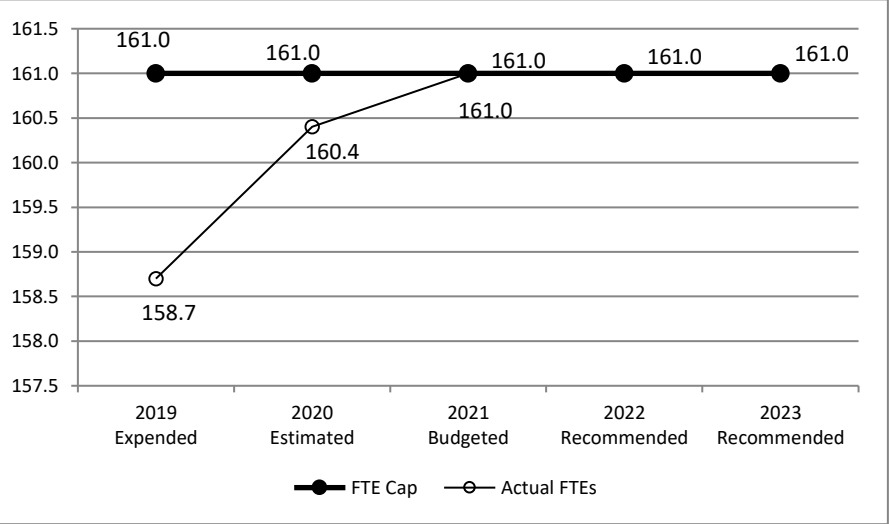
Agency Budget and Policy Issues and/or Highlights

TVMDL provides fee-based veterinary medical diagnostic services and drug testing which contributes to an animal and zoonotic disease surveillance system. TVMDL also performs drug tests for pari-mutuel racing animals and livestock shows.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2022-23 Recommended) represents an estimated 96.7% of the agency's estimated total available funds for the 2022-23 biennium.

Texas A&M Veterinary Medical Diagnostic Laboratory
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Increase of \$6,000 in General Revenue to reflect updated debt service payment amounts for construction projects at College Station and Canyon Laboratories.	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	B.2.1
B)	Total GR increase of \$11,096 due to updated infrastructure support formulas. These are accompanied by a decrease in appropriated Other Funds, Diagnostic Lab Fee Revenue and Drug Testing Fees in infrastructure strategy, as these funds are used to supplement infrastructure support and not included in recommendations.	\$0.0	\$0.0	\$0.0	(\$1.4)	(\$1.4)	B.1.2, B.1.3
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
A)	Projected increase to Diagnostic Lab Fee revenue due to an expected increase in cost of consumable supplies as well as projected increases in diagnostic services rendered through marketing efforts.	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	A.1.1, B.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$0.0	\$0.0	\$0.0	(\$1.3)	(\$1.3)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	\$0.0	\$0.0	(\$1.4)	(\$1.4)	As Listed

NOTE: Totals may not sum due to rounding.

Texas A&M Veterinary Medical Diagnostic Laboratory
Selected Fiscal and Policy Issues - House

1. **Infrastructure Support.** Funding to Texas A&M System agencies for Infrastructure Support Within Brazos County is calculated using the General Academic Institutions' Infrastructure Support formula rate. Texas A&M System agricultural agencies also receive funding for Infrastructure Support Outside Brazos County which is proportionally allocated to those agencies by their percentage of total actual square footage. Funds appropriated to the agency's infrastructure strategies reflect the approved infrastructure support rate for General Academic Institutions. The funding for Infrastructure Support Within Brazos County is \$1,101,585, an increase of \$3,012 from the 2020-21 biennium. Additionally, funding for Infrastructure Support Outside Brazos County is \$172,170, an increase of \$8,084 from the 2020-21 biennium. For the 2022-23 biennium, the agencies receiving Infrastructure Support Outside Brazos County requested that the funds be funded at a flat rate equal to the expended level from the 2020-21 Biennium as opposed to a formula, the introduced bill does not reflect this request.
2. **TVMDL Debt Service.** TVMDL is not eligible for bond financing supported by the Permanent University Fund (PUF), unlike the other Texas A&M System agencies. TVMDL was created separately from the Texas A&M System and joined the system after the Texas Constitution was amended to include six of the Texas A&M System agencies. Because TVMDL is not eligible for this funding, the Legislature has historically appropriated General Revenue to pay debt service at the agency. Recommendations include \$5.9 million in General Revenue for debt service for the agency's College Station laboratory, which is an increase of \$6,000 from the 2020-21 biennium.
3. **Five-Percent Reduction.** As a part of the 2020-21 biennium five percent budget reductions, the agency submitted General Revenue reductions totaling \$634,724. Recommendations for the 2022-23 biennium continue the implementation of these reduced funding levels, while allowing for the transfer of funding between strategies reflected in the agency's base request (see Appendix A). The agency has requested the re-appropriation of these funds as part of their exceptional item request. The 2020-21 biennium five percent reductions as submitted by the agency are as follows:

Proposed Reduction Item		FY2020	FY2021	Total FTE
1.	Reduce Marketing and Client Outreach. Reduced operating expenditures related to marketing/outreach.			
	Strategy 1.1.1	\$0	\$45,481	0.0
2.	Reduce Travel and Training. Reduced employee travel and training expenses.			
	Strategy 1.1.1	\$0	\$74,453	0.0
3.	Deferral of Capital Expenditures. Deferred projects scheduled for FY 2021.			
	Strategy 1.1.1	\$0	\$80,000	0.0
4.	Rescission of Salary Plans. Suspend implementation of merit-based salary increases.			
	Strategy 1.1.1	\$0	\$180,000	0.0
5.	Flexible Hiring Freeze. Delayed filling vacant positions.			
	Strategy 1.1.1	\$127,395	\$127,395	2.0

Texs A&M Veterinary Medical Diagnostic Laboratory
 Items Not Included in Recommendations - House

	2022-23 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	Rapid Detection of Human and Animal Disease Threats - Agency requests GR build out new capacity to monitor human and animal disease, bioterrorism, and antimicrobial resistance as well as conduct human testing during pandemic situations and produce viral sampling kits.	\$3,350,000	\$3,350,000	11.0	No	No	\$2,457,400
2)	Restoration of the 5% Reduction - Agency requests GR funding to restore the FTEs and funds reduced as part of the 5 percent reduction.	\$634,724	\$634,724	2.0	No	No	\$634,724
*	Method of Finance Removal - Agency requests the removal of Other Funds from its bill pattern.		(\$23,840,206)				
*	Infrastructure Support - Agency requests technical change to Infrastructure Support Outside Brazos County line item to change from formula to fixed level equal to the FY 2022-23 expended level.	(\$8,084)	(\$8,084)				

Agency Rider Requests Not Included

A)	Contingency Rider for the transfer of regulatory testing from Texas Animal Health Commission to TVMDL based on Sunset Recommendations.						
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TOTAL Items Not Included in Recommendations	\$3,976,640	(\$19,863,566)	13.0				\$3,092,124
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* Item not submitted with priority order.

Texs A&M Veterinary Medical Diagnostic Laboratory
Appendices - House

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* Appendix is not included - no significant information to report

**Texas A&M Veterinary Medical Diagnostic Laboratory
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
DIAGNOSTIC SERVICES A.1.1	\$30,971,194	\$31,070,534	\$99,340	0.3%	Recommendations include: • An increase of \$14,931 in Diagnostic Lab Fee revenue due to an expected increase in cost of consumable supplies as well as projected increases in diagnostic services rendered through marketing efforts; and • A reallocation of GR of \$84,409 from across Goal B.
DRUG TESTING SERVICE A.2.1	\$1,504,054	\$1,477,520	(\$26,534)	(1.8%)	Recommendations reflect decreases in projected revenue in Drug Testing Fees from racing samples. This projection is driven by anticipated decreases in racing days in 2021 and beyond.
Total, Goal A, DIAGNOSTIC AND DRUG TESTING	\$32,475,248	\$32,548,054	\$72,806	0.2%	
INDIRECT ADMINISTRATION B.1.1	\$2,619,208	\$2,620,958	\$1,750	0.1%	Recommendations include: • A decrease of \$77,935 in GR reallocated to A.1.1; and • An increase of \$79,685 in Diagnostic Lab Fee revenue to cover personnel costs.
INFRASTRUCTURE SUPPORT IN BRAZOS CO B.1.2	\$2,412,526	\$1,101,585	(\$1,310,941)	(54.3%)	Recommendations include: • \$3,012 increase in GR due to updated infrastructure support formula; • \$2,121 decrease in GR is due to reallocation of funds previously used to supplement infrastructure support to A..1.1; and • \$5,308 in Drug Testing Fees and \$1,306,794 in Diagnostic Lab Fee Revenue are removed as Other Funds are not added to this strategy in recommendations.
INFRASTRUCT SUPP OUTSIDE BRAZOS CO B.1.3	\$300,622	\$172,170	(\$128,452)	(42.7%)	Recommendations include: • \$8,084 increase in GR due to updated infrastructure support formula; • \$4,353 decrease in GR is reallocated of funds previously used to supplement infrastructure support to A..1.1; and • \$132,183 in Diagnostic Lab Fee are removed as Other Funds are not added to this strategy in recommendations.
DEBT SERVICE - COLLEGE STATION B.2.1	\$5,853,300	\$5,859,300	\$6,000	0.1%	Recommendations include updated debt service payment amounts.
Total, Goal B, INDIRECT ADMINISTRATION	\$11,185,656	\$9,754,013	(\$1,431,643)	(12.8%)	
Grand Total, All Strategies	\$43,660,904	\$42,302,067	(\$1,358,837)	(3.1%)	

Texs A&M Veterinary Medical Diagnostic Laboratory
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2019	Estimated 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	161.0	161.0	161.0	161.0	161.0
Actual/Budgeted	158.7	160.4	161.0	NA	NA

Notes:

- a) The agency's five-percent reduction included a reduction of two FTEs in both 2020 and 2021.
- b) 2020 actuals based on final SAO numbers.